

Testimony of Department of Public Health and Human Services
Before the House Appropriations Committee
January 26, 2009

RE: HB 157 - "A BILL FOR AN ACT GENERALLY REVISING THE HEALTHY MONTANA KIDS PLAN ACT; PROVIDING FOR EXTENDED RULEMAKING AUTHORITY; DELAYING IMPLEMENTATION OF THE ACT SUBJECT TO FEDERAL FUNDING; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 53-4-1105 AND 53-4-1109 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Initiative 155 was approved by approximately 70% of the Montana voters in November 2008. This initiative calls for the establishment of a Healthy Montana Kids Plan. Among other things, Healthy Montana Kids will:

- offer health care coverage to uninsured children by increasing the eligibility for Medicaid and CHIP to 250% of the federal poverty rate
- streamline the Medicaid and CHIP programs to make it easier for kids to receive services
- eliminate the Medicaid resource test
- establish a special revenue account for the plan that consists of 33% of the money collected under 33-2-705 MCA (source is from fees and licenses for insurers in Montana)
 - Unexpended balances remain in the account and can only be used for Healthy Montana Kids
 - Funding is available for additional enrollees after the effective date of the initiative (11/4/08); costs of enrollment; and administrative costs

The most crucial part of HB 157 is to provide DPHHS the authority to begin expending funds in preparation for implementation of the Healthy Montana Kids Plan. Healthy Montana Kids will begin enrolling new children on October 1, 2009. Changes must be made to our eligibility and service packages and systems between now and then so that this can be done.

Presumptive eligibility is also problematic as the initiative was originally passed. The language proposed on page one, lines 25 and 26 would allow us to set reasonable limits on the number of times that a child could be made "presumptively" eligible. The Department is looking at ways to reconcile the concept of presumptive eligibility with the 3-month waiting period required for CHIP.

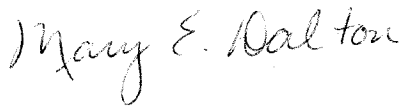
Page 2, lines 12 and 13 allow the Department to promulgate rules regarding reasonable exceptions for the 3-month waiting period. Examples of such exceptions would be things like the death of the insured, loss of job for the primary insured party, or divorce that causes a child to lose eligibility for services.

Page 2, lines 19 and 20 make clear that state plan amendments must actually be approved in order for the Department to implement certain parts of I-155.

The sponsor will submit a proposed amendment to reconcile the appropriation section (page 2, lines 22-24) with the fiscal note. The amount stated in the current bill is larger than the appropriation that is actually needed for the initial work.

Thank you for your consideration. I will be happy to answer any additional questions you might have.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary E. Dalton".

Mary E. Dalton, Manger
Medicaid and Health Services
Dept. of Public Health and Human Services